

191—93.2 (511,521A) Definitions. For purposes of this chapter, the following definitions shall apply:

“*Affiliate,*” or “*affiliate of*” a specific person, means a person who directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the person specified.

“*Aggregated derivative transaction*” means a derivative transaction entered into between any affiliate within an insurance holding company system and a conduit, which transaction may be aggregated by the conduit with other derivative transactions between the conduit and other affiliates within the insurance holding company system and replicated by the conduit with qualified counterparties. An aggregated derivative transaction does not include an individual derivative transaction between an insurer and a conduit subject to Iowa Code section 521A.5(1) “*b.*”

“*Conduit*” means a corporation, limited liability company, partnership or other similar form of business organization within an insurance holding company system which engages in the business of conduit derivative transactions.

“*Conduit derivative transaction*” means a derivative transaction entered into between a conduit and a qualified counterparty that is not within the conduit’s insurance holding company system and that replicates one or more aggregated derivative transactions.

“*Control*” means the same as defined in Iowa Code section 521A.1(3).

“*Custodian bank*” means the same as defined in Iowa Code section 511.8(21) “*a*”(2).

“*Derivative*” means an agreement, option, instrument, or any series or combination of agreements, options, or instruments that provides for either of the following:

1. To make or take delivery of, or assume or relinquish, a specified amount of one or more underlying interests, or to make a cash settlement in lieu of such delivery or relinquishment; or
2. Which has a price, performance, value, or cash flow based primarily upon the actual or expected price, level, performance, value, or cash flow of one or more underlying interests.

“*Derivative*” includes options, warrants not attached to another financial instrument, caps, floors, collars, swaps, forwards, futures and any other agreements, options or instruments substantially similar thereto or any series or combination thereof.

“*Derivative transaction*” means a transaction based upon a derivative.

“*Domestic insurer*” means the same as defined in Iowa Code section 521A.1(4).

“*Insurance holding company system*” means the same as defined in Iowa Code section 521A.1(5).

“*Person*” means the same as defined in Iowa Code section 521A.1(7).

“*Qualified counterparty*” means:

1. A qualified exchange;
2. A transaction entered into with, or guaranteed by, a business entity with an investment grade rating by the National Association of Insurance Commissioners (NAIC) Securities and Valuation Office or by a majority of nationally recognized statistical rating organizations (NRSRO), on the NAIC/NRSRO list, that rate the business entity;
3. A qualified foreign exchange; or

4. A derivative instrument issued or written by, or entered into with, the issuer of the underlying interest on which the derivative instrument is based.

“Qualified exchange” means the same as defined in rule 191—49.2(511).

“Qualified foreign exchange” means the same as defined in rule 191—49.2(511).